



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Special Service Payment Agreement for Extension of Electrical Facilities

MEETING DATE: May 21, 1997

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council approve the Special Service Payment Agreement (Agreement) for extension of electrical facilities and authorize the City Manager to sign the Agreement.

BACKGROUND: City of Lodi Electric Utility Department Rules and Regulations normally require prepayment of all costs to the City associated with providing capacity for intermittent use for motor testing power. In lieu of the above prepayment, the Customer, Mechanical Analysis / Repair, Inc., has requested that they be permitted to pay the above costs, with interest, over a thirty-six (36) month period. The amount to be financed is \$4,168.00. Sufficient funds are available in the 16.1 Electric Utility Outlay Fund to finance this effort, and there will be no net negative effect on the fund over the course of the agreement. As a result of the Agreement, the Customer will be able to further develop his business by expanding the range of testing services currently supplied.

FUNDING: None required.

A handwritten signature in black ink, appearing to read "Alan N. Vallow".

Alan N. Vallow
Electric Utility Director

Prepared by Jack Stone, Director Business Planning and Marketing

ANV/JLS/lt

c: City Attorney

Approved

H. Dixon Flynn
City Manager

EXTENSION OF ELECTRIC UTILITY FACILITIES
SPECIAL SERVICE PAYMENT AGREEMENT

THIS AGREEMENT is made and entered into by and between the CITY OF LODI, hereinafter referred to as "City" and MECHANICAL ANALYSIS/REPAIR, INC., hereinafter to as "Customer."

RECITALS

Customer is conducting a business situated in the City of Lodi, County of San Joaquin, and described as follows:

Mechanical Analysis/Repair, Inc.
142 North Cluff Avenue
Lodi, CA 95240

Customer is requesting Special Service as set forth in Electric Utility Department Rule and Regulation 15 E. Customer is further requesting payment of associated construction and transformation costs in equal monthly installments over a thirty-six (36) month period in lieu of full payment prior to Special Service construction as set forth in the above Rule and Regulation.

The City Council will approve the payment of the above costs in thirty-six (36) equal monthly installments on condition that the Customer first enter into and execute this agreement with the City.

NOW THEREFORE, in order to insure satisfactory performance by Customer of Customer's obligations under this agreement, the parties agree as follows:

1. Customer agrees to pay Special Service costs in the amount of \$4,168.00 in thirty-six (36) equal monthly installments of \$131.44 at an interest rate of 8.43 percent. The first payment shall be due no later than the 10th of the month following the date of execution of this agreement. All subsequent payments are due no later than the 10th of each month.
2. Each payment shall be credited first on interest due and the remainder on principal.
3. Customer shall have the right to prepay the remaining balance at any time without a prepayment penalty.
4. Upon closure of the Customer's electric utility account, all costs payable under this agreement shall become immediately due and payable. This agreement shall have no right of assignment.
5. If Customer fails to meet any specified payment as set forth in item #1 above within five (5) days following the due date, the Electric Utility Director or the City Council may serve written notice upon the Customer for breach of this agreement and the default of Customer.

6. In the event of any such notice of breach, Customer shall have the duty to pay, in full, the balance of the required fees.
7. This agreement shall be binding on the Customer, its heirs, successors or assigns.
8. A copy of the agreement shall be recorded in the office of the San Joaquin County Records, P.O. Box 1968, Stockton, California 95201-1968
9. All notices herein shall be in writing and delivered in person or sent by registered mail, postage prepaid.

Notices required to be given to City shall be addressed as follows:

Alan N. Vallow
Electric Utility Director
City of Lodi
1331 South Ham Lane
Lodi, CA 95242-3995

Notices required to be given to Customer shall be addressed as follows:

Rick Leddy
Mechanical Analysis/Repair, Inc.
142 North Cluff Avenue
Lodi, CA 95240

IN WITNESS WHEREOF, the parties hereto have set their hands the day, month and year appearing opposite their names.

CITY OF LODI, a Municipal Corporation

H. Dixon Flynn, City Manager

Date

ATTEST:

Jennifer M. Perrin, City Clerk

Date

APPROVED AS TO FORM:

Randall A. Hays
Randall A. Hays, City Attorney

May 15, 1997
Date

CUSTOMER

Rick Leddy

Date

RESOLUTION NO. 97-57

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE SPECIAL SERVICE PAYMENT AGREEMENT
FOR EXTENSION OF ELECTRICAL FACILITIES, AND AUTHORIZING
THE CITY MANAGER TO EXECUTE SAID AGREEMENT

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BE IT RESOLVED, that the Lodi City Council hereby approves the Special Service Payment Agreement with Mechanical Analysis/Repair, Inc., for extension of electrical facilities; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute said agreement on behalf of the City of Lodi.

Dated: May 21, 1997

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I hereby certify that Resolution No. 97-57 was passed and adopted by the Lodi City Council in a regular meeting held May 21, 1997 by the following vote:

AYES: Council Members -

NOES: Council Members -

ABSENT: Council Members -

ABSTAIN: Council Members -

JENNIFER M. PERRIN
City Clerk